



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-54-2018]

Foreign-Trade Zone (FTZ) 75 – Phoenix, Arizona
Notification of Proposed Production Activity
Microchip Technology, Inc.
(Semiconductor Devices and Related Products)
Chandler and Tempe, Arizona

Microchip Technology, Inc. (Microchip) submitted a notification of proposed production activity to the FTZ Board for its facilities in Chandler and Tempe, Arizona. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on August 28, 2018.

Microchip already has authority to produce semiconductor devices and related products within Subzone 75H. The current request would add foreign status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Microchip from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below, Microchip would be able to choose the duty rates during customs entry procedures that apply to: field programmable microcontrollers; application-specific processors; related memory products; and, application development tools (duty rate ranges from duty-free to 3%).

Microchip would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include: in-circuit debuggers; rubber caps; evaporative air coolers; antennas; plastic boxes, cases, crates, stoppers, lids and caps; memory modules – not incorporating a cathode ray tube; brushless DC electric motors; power supply, output < 50 watts; static converters; transformers; relay contactors; lamp-holder plugs; lamp sockets; electrical equipment for switching of electrical circuits; servo drive boards (for test floor probers); infrared lamps; printed circuit assemblies; coaxial cables; and, electrical conductors with fitted connections (duty rate ranges from duty-free to 5.3%). The request indicates that certain materials/components are subject to special duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decision requires subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the

"Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Elizabeth Whiteman at Elizabeth.Whiteman@trade.gov or (202) 482-0473.

Dated: August 29, 2018.

Andrew McGilvray,
Executive Secretary.

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